

EXECUTIVE SUMMARY

STRENGTHENING PROGRAM DELIVERY

BY

IMPROVING THE CONTRACTING SYSTEM FOR NON-PROFITS AND PROVIDER AGENCIES

Statement and Recommendations to the

Red Tape Review Commission

The Honorable Kim Guadagno, Chairperson

The Honorable Brian P. Stack
The Honorable Steven V. Oroho
The Honorable John J. Burzichelli
The Honorable Scott T. Rumana

The Honorable Brian D. Levine
Edward B. Deutsch
John Galandak
Tony Monteiro

Presented July 17, 2012

Endorsed by:

Center for Non-Profits
Hispanic Family Center of Southern New Jersey, Inc.
New Jersey After 3
New Jersey Alliance for Children, Youth and Families
New Jersey Association of Community Providers, Inc.
New Jersey Association of Mental Health and Addiction Agencies, Inc.
New Jersey State Association of Jewish Federations
Pro Bono Partnership

Respectfully submitted by:

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The recommendations in this paper are the result of extensive discussions among the working group of New Jersey non-profit organizations whose names appear on the cover, as well as outreach and feedback from the broader community of non-profits and service providers. We thank the Governor, the Lieutenant Governor, and the members and staff of the Red Tape Review Commission for the opportunity to present our comments and recommendations, and for focusing on non-profit and social concerns as part of the Commission's work.

Non-profit organizations and service providers are a vital part of New Jersey's economic and social fabric.

- New Jersey is home to **over 30,000 charitable organizations**, which collectively **employ over 304,000 workers** – nearly 10% of the state's private work force – and hold combined assets of over \$67 billion.
- New Jersey public charities **spend more than \$33 billion each year** combined, making them a powerful contributor to our state's economy.
- Non-profits also leverage the time and talents of **more than 1.5 million volunteers** who contribute **services worth an estimated \$3.4 billion annually**.
- New Jersey non-profits **employ more people than the construction, transportation or public utilities industries, and more than finance and insurance combined** – providing jobs to individual taxpayers and pumping payroll taxes into government coffers.
- Non-profits **save taxpayers untold dollars** by providing vital programs and services that make our communities better places to live, work and visit. Government relies heavily on non-profits and other service providers to do things that it can't or won't do on its own.

However, the economic downturn, rising demand and reduced or flat funding have taken a severe toll on the ability of these organizations to provide the vital services that people need. The current contracting system, which has been developed piecemeal over many years and is plagued by fragmentation, needless duplication and complexities, has only exacerbated the situation for many organizations.

Despite significant progress under the leadership of the Red Tape Review Commission and under other auspices to streamline the way business is conducted and services are provided, there is clearly more that could be done. There remain numerous ways in which regulations, policies, and, in some cases, statutes could be changed in order to reduce needless duplication and improve efficiency and effectiveness, toward the ultimate goal of ensuring that services are available and provided in the best manner possible.

Summary of Major Recommendations

Government, non-profits and service providers are partners in providing essential programs and services that strengthen New Jersey's economy and quality of life. Our recommendations recognize that all are staffed by dedicated people working hard in furtherance of the public good.

CREATE A CLIMATE FOR IMPROVED COMMUNICATION AND POLICYMAKING

- Create an **advisory panel**, comprised of non-profit leaders and other experts to regularly review and make recommendations regarding the development, revision, streamlining and coordination of policies for non-profits and providers.
- Establish a mandatory system of **information-sharing and coordination** within government **across departments and divisions**, in partnership with and reflecting strong input from regulated and contract entities, grantees and other outside experts, in order to reduce conflict and duplication in the development and implementation of policies and procedures. Consolidate contract reform task forces across divisions/departments in order to better utilize the recommendations and reports of these work groups, foster consistency and leverage expertise and creativity.

BOOST EFFICIENCIES AND QUALITY THROUGH IMPROVED CONTRACTING

- **Create a *centralized contracting unit* to cut down on redundancies and duplicative monitoring and reporting.** Within this unit, also create a centralized vendor database (“*document vault*”) for non-profit and provider contracting purposes that would allow one-time filing – or reductions in duplicative filing – of basic information.
- **Establish a *contracting boilerplate*** for certain components, applicable across departments and divisions, to save time and duplication in submitting repetitive organizational information.
- **Conduct an *outside efficiency review of the purchasing process***, including review and establishment or revision of timelines for contract execution, modifications, documentation review and approval.
- **Establish a *mandatory prompt contracting process*** to cut down on delays in executing paperwork needed to process payment.
- **Review and revise the *current prompt payment requirements*** to prevent cash flow problems and ensure continuity of service.
- **Review *county and local purchasing processes and procedures*** in order to reduce duplication and needless bureaucracy in funding, contracting and purchasing practices, and ensure prompt processing of grant and contract paperwork and payments.
- **Apply the “*common sense*” provisions of Governor Christie’s Executive Order # 2 (2010) to state department contracting policies/manuals and similar non-regulatory procedures** to provide for opportunities for regulated entities and other experts to provide advanced input on regulatory proposals during the development stage. Require state agencies to demonstrate compliance with Executive Order # 2 with respect to contract RFPs, policies and amendments.
- **Establish an *inter-departmental task force, comprised in equal proportions of government and non-profit/provider representatives***, to develop *comprehensive* contract reforms across departments and divisions to foster consistency and efficiency.
- **Consolidate *licensing, inspections, monitoring and auditing requirements*** to minimize duplication and provide for more reciprocity.
- **Implement “*deemed status*”** to recognize the national or international accreditations of non-profits and providers in order to streamline repetitious state monitoring, licensing and auditing practices. Provide greater options for multi-year contracting to accredited organizations.
- **Reform the *registry and background checking/fingerprinting systems***, to remove needlessly duplicative checks and fees while ensuring ready access to a single, consolidated up-to-date database so that potential problems can be uncovered quickly. Provide a complete listing, in layperson’s terms, of the organizations/circumstances in which background checks are required or available.
- **Reward *efficiencies*** by allowing organizations to reinvest in contracted programs or to retain modest reserves for unanticipated program-related needs.

ENCOURAGE INNOVATION AND INVESTMENT IN TECHNOLOGY AND BEST PRACTICES

- Actively embrace and pursue the utilization of ***up-to-date technologies*** to facilitate coordination, compliance, filing of reports, contract processes and boost overall efficiency and effectiveness.
- **Abandon requirement of *faxed or handwritten reporting*** in favor of secure electronic versions.
- **Invest in the *capacity and health of New Jersey’s non-profit and provider community by establishing a “Management Assistance Fund”*** to enable New Jersey organizations to access funds to secure technical assistance and other infrastructure support.

Our full report, including detailed recommendations with rationales, has been submitted to the Commission separately. We thank the Commission and look forward to continuing to work together to foster strong delivery of vital programs and services to the people of our state.

**Media Contacts for
Non-Profit/Social Service Provider Recommendations to the
Red Tape Review Commission**

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